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Message Text

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70
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 IGA-01 OMB-01 TRSE-00 MC-02

CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 COME-00 EB-07 /072 W
---------- 074455
R 172115Z JUN 75
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 3636
INFO USCINCSO CZ

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EO 11652: N/A
TAGS: PFOR, US, CI, MASS
SUBJECT: SALE OF F-5 AIRCRAFT TO CHILE: AGENT'S FEE

1. DURING AMBASSADOR'S CALL JUNE 16 ON OTHER MATTERS, FONMIN CARVAJAL READ REPORT FROM CHILEAN AMBASSADOR TRUCCO QUOTING FROM SENATOR CHURCH'S SUBCOMMITTEE HEARINGS ON ACTIVITIES OF MULTINATIONAL CORPORATIONS. ACCORDING TO TRUCCO, ON JUNE 10 SENATOR ASKED NORTHROP'S PRESIDENT HOW HE COULD IGNORE PAYMENT OF COMMISSION OF US$1.2 MILLION TO "AN AGENT IN SPAIN" FOR SALE OF $41.2 MILLION TO CHILE. (DOLAR FIGURES IN TRUCCO TELEGRAM WERE GARBLED BUT APPEAR TO BE AS STATED.) NORTHROP OFFICIAL REPORTEDLY REPLIED ALONG LINES THAT CORPORATION IS DECENTRALIZED AND HE WAS NOT AWARE OF REPORT. CARVAJAL ASKED FOR ANY INFORMATION AVAILABLE TO USG.

2. COMMENT: EMBASSY IS NOT AWARE OF ANY CONNECTION BETWEEN F-5 SALE (WHICH PRESUMABLY IS THAT MENTIONED, ALTHOUGH TOTAL SALE WAS FAR OVER $41.2 MILLION, AND ANY AGENT IN SPAIN. WE ARE INFORMED, HOWEVER, THAT F-5 COST TO CHILE INCLUDED $1.2 MILLION IN AGENT'S FEES FOR BANEX CORPORATION OF CHILE, WHICH REPRESENTED NORTHROP. THIS MATTER WAS MENTIONED BY CHILEAN AIR FORCE (FACH) GENERAL JOSE MARTINE DURING MAY 19 USAF/FACH FMS CONFERENCE AT CHILEAN AIR FORCE MISSION IN
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WASHINGTON. LOCAL REPRESENTATIVE FOR NORTHROP (AND LOCKHEED)

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IS JAIME GARCES FERNANDEZ.

3. ACTION REQUESTED: INFORM EMBASSY FOR FONMIN OF ANY
INFORMATION AVAILABLE ON REPUTED PAYMENT TO NORTHROP AGENT
IN SPAIN.
POPPER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, DIPLOMATIC DISCUSSIONS, MILITARY SALES, MULTINATIONAL CORPORATIONS, FEES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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06 JUL 2006

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Review Release Event: n/a
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Subject: SALE OF F-5 AIRCRAFT TO CHILE: AGENT'S FEE
TAGS: PFOR, MASS, US, CI, NORTHROP, BANEX CORP
To: STATE
Type: TE
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